



STATE BOARD OF EQUALIZATION

April 30, 1963

City of [P]
XXXX --- ---
--- ---, California

G-X-XXXXXX

Attention: Mr. R--- E. M---
City Attorney

Gentlemen:

We have your letter of April 17, 1963, in which you ask about the sales tax application to certain chemicals purchased by the City of [P].

Sale of certain chemicals is exempt, not because of any food value, however. Some chemicals when added to water for purification, softening, dental benefits, etc., remain in the water. When the water is sold the chemicals are resold as a component part of the water. Such chemicals may be purchased for resale even though sales of treated water are tax exempt.

The two chemicals you list as additives in the treatment of water, Sodium Flouride and Hexameta Phosphate, are included among those exempt from sales tax when purchased for water additives in a municipal water system.

Enclosed is a copy of Operations Memo No. 84, which contains information on filing refund claims for sales tax paid on purchases of exempt chemicals.

Very truly yours,

E. H. Stetson
Tax Counsel

By _____
Robert H. Anderson

RHA/EHS:fb
Enclosure

cc: --- --- - District Administrator